

SENATE BILL REPORT

SB 5430

As Reported by Senate Committee On:
Environment, Water & Energy, February 4, 2009
Ways & Means, February 18, 2009

Title: An act relating to water discharge fees.

Brief Description: Concerning water discharge fees.

Sponsors: Senators Fraser, Pridemore, Swecker, Rockefeller, McDermott and Shin.

Brief History:

Committee Activity: Environment, Water & Energy: 1/28/09, 2/04/09 [DPS, DNP].
Ways & Means: 2/10/09, 2/18/09 [DPS(EWE), DNP, w/oRec].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: That Substitute Senate Bill No. 5430 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Fraser, Hatfield, Marr and Ranker.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Delvin, Holmquist and Morton.

Staff: Karen Epps (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5430 as recommended by Committee on Environment, Water & Energy be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Carrell, Honeyford, Parlette, Pflug and Schoesler.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: That it be referred without recommendation.

Signed by Senator Brandland.

Staff: Maria Hovde (786-7710)

Background: The federal Clean Water Act (CWA) establishes the National Pollutant Discharge Elimination System (NPDES) permit system to regulate wastewater and stormwater discharges from point sources to surface waters. The NPDES permits are required for anyone who discharges wastewater or stormwater to surface waters, or who has a significant potential to impact surface waters. The Department of Ecology (Ecology) is delegated federal CWA authority by the United States Environmental Protection Agency (EPA).

Ecology also administers state discharge permits. A wastewater discharge permit places limits on the quantity and concentrations of contaminants that may be discharged and may require wastewater treatment or impose operating or other conditions. Ecology issues both individual permits (covering single, specific activities or facilities) and general permits (covering a category of similar dischargers) in the state and the NPDES permit programs.

A stormwater permit requires operators of municipal separate storm sewer systems to develop and implement a stormwater management program that protects water quality and reduces the discharge of pollutants to the maximum extent practicable.

Ecology establishes annual fees for issuing and administering state and NPDES discharge permits. Ecology is required to set fees for permits in an amount sufficient to fully recover but not exceed the program expenses, including permit processing, monitoring, compliance, evaluation, inspection, and program overhead costs. Revenue collected from these fees is deposited into the Water Quality Permit Account. Initiative 960, adopted by the voters in 2007, requires prior legislative approval before an agency can impose or increase an administrative fee.

Summary of Bill (Recommended Substitute): Ecology may charge an annual fee to municipalities for domestic wastewater facility permits of up to 18 cents per month per residence or residential equivalent that is contributing to the wastewater system.

Ecology may raise wastewater and stormwater fees by the fiscal growth factor for the fiscal years 2010 and 2011, except that there may be no increase in fees in those years for categories of dischargers whose fees exceed the costs of managing their permits. Additionally, Ecology may adjust the discharge fee schedule annually through December 31, 2011. Ecology must evaluate the existing fee structure and report its findings to the Legislature by December 31, 2009.

EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Substitute): Allows Ecology to raise fees by the fiscal growth factor for the fiscal years 2010 and 2011, except that there may be no increase in fees in those years for categories of dischargers whose fees exceed the costs of managing their permits. Requires Ecology, in consultation with a NPDES permit fee advisory committee, to

evaluate the existing fee structure and report its findings to the Legislature by December 31, 2009.

Appropriation: None.

Fiscal Note: Requested on February 5, 2009.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Environment, Water & Energy):

PRO: The concept for this bill came from recommendations from a stakeholder group. Ecology has faced a deficit in fees brought in to cover the costs of implementing the program. This bill would allow Ecology to adjust fees for some municipalities that are at the capped limit currently.

Persons Testifying (Environment, Water & Energy): PRO: Bruce Wishart, People for Puget Sound; Ed Thorpe, Coalition for Clean Water.

Staff Summary of Public Testimony on Substitute Bill (Ways & Means): PRO: This program is required by statute to be self-sufficient. If the fees are not increased it will affect the capability of the department to permit infrastructure projects. This bill is a product of a stakeholder group and is a stop-gap measure that will allow the department to function at a basic level for the next two years until a more stable solution is found.

Persons Testifying (Ways & Means): PRO: Senator Fraser, prime sponsor; Grant Nelson, Association of Washington Business; Bruce Wishart, People for Puget Sound; Gary Smith, Independent Business Association.